

Market Update

Equity

Kyiv-listed stocks started the new year in the black during the lone trading session of the long January local holiday period, which was held on Tuesday (Jan 6). The UX index rose by 0.9% to close at 1042 points. Blue chip heavyweights Motor Sich (MSICH) and CentrEnerg (CEEN) led the growth, advancing by 1.9% and 1.3% respectively, with the latter ended at UAH 7.63 per share. Meanwhile, low-liquidity Metinvest-owned steel names Avdyivka Coke (AVDK) and Yenakievo Steel (ENMZ) both added around 5.5%, and domestic oil extraction monopoly UkrNafta (UNAF) picked up 2.0% to UAH 207. In London, where the main Ukrainian names have been trading for a week and a half, poultry producer MHP (MHPC) was little-changed over the holiday period, closing at USD 9.10 on Friday (Jan 9), while Ferrexpo (FXPO) has been moving steadily higher from its year-end close near GBp 51, and gained another 5.4% on Friday to GBp 58.50. Beaten-down Avangard (AVGR) now sits at USD 2.10.

Today the local market has opened the session in positive territory.

Fixed Income

Ukrainian sovereigns started off 2015 in positive territory, with Ukraine-23s moving up by 2.5% from their 2014 close in the first European trading week of the year, to 59.2/64.2 (16.8%/15.2%), and Ukraine-17s also improved by 4.8% to 63.3/69.3 (25.8%/21.8%). Meanwhile, corporate names were mostly lower last week. UkrlandFarming-18s declined by 8.3% to 40.0/48.0 (50.4%/41.6%) and Metinvest-15s dropped by 2.5% to 77.0/80.0 (96.7%/82.7%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenerg	CEEN	7.63	1.3%	0.0	0
Motor Sich	MSICH	2528.00	1.9%	0.0	0
Ukrnafta	UNAF	207.60	2.0%	0.0	0

Growth Leaders

Dzerzhinsky Steel	DMKD	0.09	-120.0%	0.00	0
Mostobud	MTBD	14.80	-45.0%	0.00	0
Ukrtelecom	UTLM	0.15	-120.0%	0.00	0

Loss Leaders

Avdyivka Coke	AVDK	1.82	5.1%	0.000	0
Alchevsk Steel	ALMK	0.01	2.8%	0.000	0
Yenakievo Steel	ENMZ	21.98	5.5%	0.000	0

Highlights

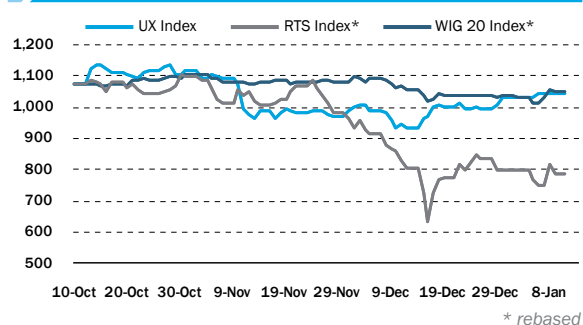
POLITICS AND ECONOMICS

- > Moscow Threatens to Call In Early Redemption of USD 3bn Loan
- > UkrStat: Consumer Prices Rose 25% Over 2014

STOCKS IN THE NEWS

- > Ferrexpo's Pellet Output Edged Up 2% YoY in FY14

STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1042.4	0.0%	10.5%	14.5%
RTS	782.6	4.8%	-5.0%	-45.8%
WIG20	2337.2	3.2%	-1.8%	-2.7%
MSCI EM	961.4	2.9%	1.6%	-4.0%
S&P 500	2044.8	2.1%	0.5%	11.1%

UX INTRADAY JANUARY 6, 2014

FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	435.6	-2.4%	5.7%	31.7%
CDS 5Y UKR	2184.1	-8.1%	15.9%	166.3%
Ukraine-17	23.7%	-5.6 p.p.	1.7 p.p.	14.7 p.p.
Ferrexpo-16	31.8%	-0.4 p.p.	3.7 p.p.	22.9 p.p.
Ukraine-23	16.0%	-2.2 p.p.	2.0 p.p.	8.5 p.p.
Privatbank-16	87.3%	1.2 p.p.	13.5 p.p.	66.9 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.81	-0.2%	0.5%	91.8%
EUR	18.71	-0.6%	-4.1%	64.5%
RUB	0.26	1.8%	-8.4%	1.6%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	246.1	0.0%	4.5%	-14.4%
Steel, USD/t	450.0	0.0%	-4.3%	-16.3%
Oil, USD/bbl	50.1	-1.9%	-21.7%	-53.3%
Gold, USD/oz	1222.5	0.3%	-0.4%	2.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Moscow Threatens to Call In Early Redemption of USD 3bn Loan

by Will Ritter
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NEWS

Russian Finance Minister Anton Siluanov said that the Russian government has legal grounds to demand the immediate redemption of a USD loan extended to Ukraine in December 2013, Russian media reported on Saturday (Jan 10). The money had been provided as part of a planned USD 15bn Russian bailout for the government of then-president Yanukovich in return for his refusal to sign Ukraine's Association Agreement with the European Union. After Yanukovich lost power last February, the remainder of the Russian bailout program was abandoned.

COMMENTARY

The terms of the Putin-Yanukovich bailout deal included a provision that Russia could demand early redemption of the loan if Ukraine's debt-to-GDP ratio were to rise above 60%. Indeed, this ratio rose sharply last year as Ukraine borrowed new funds from the IMF and the country's GDP contracted due to the loss of output from annexed Crimea and war-hit Donetsk/Lugansk, and it is clear that the 60% level has been exceeded. However, even if early redemption is called in, which Moscow could theoretically use as a way to force Ukraine into default on its obligations to private creditors, we see this as a rather minor issue in the context of the overall fiscal challenges which Kyiv is currently facing. Much more important will be a decision later this month by the IMF on whether to disburse the latest tranches of Ukraine's standby loan in an environment in which fiscal and reform targets are not being met, and to expand the overall program size from the initial USD 17bn. A decision by Moscow on demanding early repayment of the Yanukovich loan would probably be countered by stepped-up EU support, as the Poroshenko regime is currently in fairly good graces with Brussels and Berlin, and at this point, USD 3bn is not a sum that is going to make or break Ukrainian solvency over the medium term.

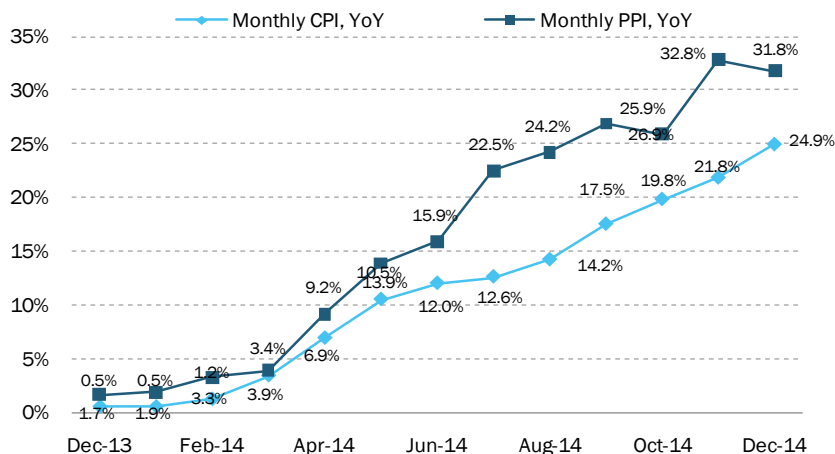
UkrStat: Consumer Prices Rose 25% Over 2014

by Dmitry Churin
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NEWS

Ukraine’s State Statistics Committee (UkrStat) reported that full-year consumer price inflation for 2014 was 24.9%, according to data published last week. On a monthly basis, the CPI index jumped by 3.0% in December. Producer prices were unchanged month-on-month in December, while the 12-month rise was 31.8%.

UKRAINE’S ROLLING 12-MONTH CPI & PPI INFLATION



Source: State Statistics Committee

COMMENTARY

The actual consumer inflation in 2014 surpassed our forecast of 20%, but the officially-reported CPI inflation figure stayed far below the roughly 100% rise in the UAH/USD exchange rate that occurred over the year. We assume that this lag will not be repeated in 2015, and expect an uptick in price growth comparable to the sharp 3% jump seen in December. As far as the flat producer price (PPI) situation for December, we suppose that the index was held down by the collapse in global oil prices that occurred during the month. Among particular CPI basket components, a notable advance was registered in natural gas prices for households which jumped by 62.8% YoY (in UAH terms) while overall utility service prices rose by 34.3% YoY in 2014. The sharp increase of prices for utility services is a long-required move by the IMF for cutting the national budget deficit. We suppose that the government will be under pressure to further increase utility service prices for households this year to balance the national budget. The government has forecasted a 15% YoY consumer inflation in 2015 but we see this figure as simply not realistic, as prices for fuel and other imported goods are still adjusting to the new UAH/USD exchange rate.

Ferrexpo's Pellet Output Edged Up 2% YoY in FY14

by Ivan Dzvinka
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FERREXPO (FXPO LN)

Price: GBP 0.56 Market Cap: USD 492mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.75	1.9	2.3	16%
2014E	0.82	1.8	2.4	4%

NEWS

London-listed Ferrexpo, Ukraine's largest iron ore pellet exporter, reported pellet output of 11.02mn tonnes for full-year 2014, representing a 1.9% YoY increase, the company said in a release last week (Jan 6). Ferrexpo expanded pellet output from ore extracted at its relatively more efficient new Yeristovo mine, while reducing production from the ore of its older flagship mining asset at Poltava. Pellet production from Yeristovo ore increased by 65% YoY to 3.41mn tonnes in FY14, while production from Poltava ore declined by 13.5% YoY to 7.26mn tonnes. Output from third parties ore remained low at some 350,000 tonnes (+1.0% YoY). Ferrexpo increased the share of higher value-added 65% Fe pellets in its output structure to 53% in 2014 from 46% in 2013.

In 4Q14, pellet output declined by 4.4% YoY to 2.76mn tonnes, which the company said was primarily due to 144,000 tonnes of output lost in December due to electricity shortages.

COMMENTARY

Lower output in December has already been priced in by the market, as back on Dec 22 the company made an announcement about the expected 140,000 tonnes of lost output during the month. In the same Dec 22 release, Ferrexpo acknowledged that problems with electricity supply in 1Q15 could lead to reduced output in 1Q15 as well. On the positive side, the renewal of coal imports from Russia as well as some electricity imports from Russia may help to mitigate the electricity shortage. In addition, the group is exploring an option to generate own electricity using heavy oil. We thus currently project that the company will be able to maintain its average monthly output over full-year 2015 at the level of average Oct-Nov volume of 970,000 tonnes. This translates into annual pellet output of 11.64mn tonnes (+5.6% YoY) as production at Yeristovo continues to ramp up.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.76	0.56	-27%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	55.5	108.0	95%	HOLD	Exacerbated issue of global ore oversupply together with sluggish growth in demand will likely keep iron ore prices at depressed level at least in the short run boding bad for Ferrexpo's earnings.
Pivnichny GOK	SGOK	9.93	U/R	-	U/R	On its EGM on 14 Feb 2014, SGOK's shareholders approved additional issue of 14.75mn of new shares implying 0.64% of the company's share capital.
Centralny GOK	CGOK	8.10	U/R	-	U/R	On its EGM on 19 Feb 2014, CGOK's shareholders made a decision on additional issue of 14.73mn of new shares implying 1.26% of the company's share capital.
Coke						
Avdyivka Coke	AVDK	1.82	U/R	-	Susp.	Avdyivka Coke experienced several artillery attacks since August 2014 due to its location near the border of occupied territory.
Yasynivsky Coke	YASK	0.19	U/R	-	U/R	Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.
Coal						
Pokrovske Mine	SHCHZ	0.47	U/R	-	Susp.	The company's coal production expansion plan were put under high risk of realization due to war in Donbass.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	12.2	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.09	U/R	-	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
Motor Sich	MSICH	2528	5250	108%	BUY	Motor Sich should see its sales grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.
Turboatom	TATM	5.00	8.9	78%	BUY	We model Turboatom's revenue as increasing at 18% CAGR over 2012-2015. Deliveries of hydro and steam turbines to export markets will remain the company's key revenue drivers.
Oil & Gas						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	4.4	U/R	-	U/R	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	12.3	U/R	-	U/R	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
Power Utilities						
DonbasEnergO	DOEN	33.0	72.0	118%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.63	15.00	97%	BUY	CenterEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	9.1	17.96	97%	BUY	The company is set to reach full capacity utilisation at its greenfield Vinnytsia project in late 2014 on the back of favorable export and domestic markets demand for its poultry.
Astarta	AST	25.0	90.0	260%	BUY	Astarta's business leans on three pillars: sugar beet cultivation/processing, grain cultivation, and cattle farming. With sugar prices depressed since 2011, a favorable market for grain should continue to drive the company's profitability.
AvangardCo	AVGR	2.1	2.7	27%	HOLD	Loss of the company's output at war-hit Donbass together with UAH devaluation will lead to lower EBITDA in 2015 after some 55% drop in 2014.
Ovostar Union	OVO	73.0	80.8	11%	HOLD	Ovostar is one of the hardest-hit Ukrainian public companies from this year's UAH devaluation as some 70% of its production cost is linked to USD while only 15% of revenue earned in hard currency.
Banks						
Raiffeisen Bank Aval	BAVL	0.096	0.24	151%	BUY	We base our valuation on an assumption of the bank's fair value at 0.9x of its book value, the level at which Italian lender Intesa Sanpaolo sold its Ukrainian subsidiary in early 2014.

Source: Eavex Research

PRICES AND QUOTES

Name	Ticker	Today, UAH*	52 high, UAH*	52 low, UAH*	Absolute performance				Performance relative to the UX index			
					1d	1w	1m	ytd	1d	1w	1m	ytd
UX Index	UX	1042.38	1368.76	821.17	0.0%	0.9%	10.5%	14.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.015	0.05	0.01	0.0%	2.8%	1.4%	-61.6%	0.0%	1.9%	-9.2%	-76.1%
Azovstal	AZST	0.76	0.95	0.35	0.0%	1.7%	15.0%	13.1%	0.0%	0.9%	4.5%	-1.4%
Dniprospezstal	DNSS	650	n/a	n/a	0.0%	0.0%	271.4%	-50.0%	0.0%	-0.9%	260.9%	-64.5%
Enakievo Steel	ENMZ	22.0	65.0	16.0	0.0%	4.9%	12.0%	-31.3%	0.0%	4.0%	1.5%	-45.9%
Arcelor Mittal KR	KSTL	3.54	n/a	n/a	0.0%	0.0%	-11.5%	207.8%	0.0%	-0.9%	-22.0%	193.3%
Mariupol Ilyicha	MMKI	0.16	n/a	n/a	0.0%	0.0%	-15.8%	60.0%	0.0%	-0.9%	-26.3%	45.5%
Coke												
Avdyivka Coke	AVDK	1.82	3.70	1.46	0.0%	5.1%	8.2%	-38.5%	0.0%	4.3%	-2.3%	-53.1%
Yasynivsky Coking	YASK	0.19	0.84	0.19	0.0%	-32.1%	-24.0%	-64.2%	0.0%	-33.0%	-34.5%	-78.7%
Iron Ore Mining												
Centralny GOK	CGOK	8.10	n/a	n/a	0.0%	4.0%	11.0%	24.6%	0.0%	3.1%	0.4%	10.1%
Ferrexpo	FXPO	55.50	181.6	47.9	-1.3%	0.9%	-3.2%	-70.9%	-1.3%	0.0%	-13.7%	-85.5%
Pivnichny GOK	SGOK	9.93	12.30	4.44	0.0%	18.6%	20.8%	24.1%	0.0%	17.8%	10.3%	9.6%
Coal Mining												
Pokrovske Mine	SHCHZ	0.47	0.79	0.17	0.0%	0.0%	42.4%	17.5%	0.0%	-0.9%	31.9%	3.0%
Komsomolets Donbasa	SHKD	0.45	n/a	n/a	0.0%	2.3%	55.2%	-27.4%	0.0%	1.4%	44.7%	-42.0%
Energy Coal	CLE	0.76	2.02	0.55	7.0%	11.8%	0.0%	-27.6%	7.0%	10.9%	-10.5%	-42.2%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.16	n/a	n/a	0.0%	0.0%	-46.7%	-65.2%	0.0%	-0.9%	-57.2%	-79.8%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.38	1.01	0.20	0.0%	0.0%	0.0%	-36.7%	0.0%	-0.9%	-10.5%	-51.2%
Interpipe NMPP	NVTR	0.35	n/a	n/a	0.0%	0.0%	16.7%	66.7%	0.0%	-0.9%	6.1%	52.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	12.2	25.0	10.0	0.0%	-4.8%	12.5%	-29.3%	0.0%	-5.7%	2.0%	-43.8%
Luhanskeplovoz	LTPL	1.09	1.80	0.85	0.0%	0.9%	4.8%	-27.3%	0.0%	0.0%	-5.7%	-41.9%
Stakhanov Wagon	SVGZ	0.34	n/a	n/a	0.0%	13.3%	17.2%	-73.8%	0.0%	12.5%	6.7%	-88.4%
Specialized Machinery												
Bogdan Motors	LUAZ	0.02	0.08	0.01	0.0%	16.0%	-7.2%	-12.5%	0.0%	15.1%	-17.7%	-27.0%
Motor Sich	MSICH	2,528	2,879	1,587	0.0%	1.8%	18.9%	38.6%	0.0%	0.9%	8.3%	24.1%
Summy Frunze Engineering	SMASH	5.00	n/a	n/a	0.0%	0.0%	-16.7%	100.0%	0.0%	-0.9%	-27.2%	85.5%
Turboatom	TATM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
WESTA ISIC	WES	0.18	0.80	0.15	-5.3%	-5.3%	-18.2%	-55.0%	-5.3%	-6.1%	-28.7%	-69.5%
Telecom												
Ukrtelecom	UTLM	0.15	0.20	0.09	0.0%	0.0%	16.5%	38.2%	0.0%	-0.9%	6.0%	23.6%
Oil & Gas												
Regal Petroleum	RPT	4.42	14.13	3.13	-9.4%	35.8%	3.3%	-65.4%	-9.4%	35.0%	-7.2%	-79.9%
JKX Oil	JKX	12.25	72.25	11.00	-4.9%	-3.0%	-10.9%	-82.9%	-4.9%	-3.8%	-21.4%	-97.5%
Ukrnafta	UNAF	208	375	54	0.0%	2.1%	12.2%	91.2%	0.0%	1.2%	1.6%	76.6%
Power Utilities												
Centrenerg	CEEN	7.63	8.70	3.00	0.0%	1.1%	6.3%	60.0%	0.0%	0.3%	-4.2%	45.5%
Donbasenergo	DOEN	33.0	50.2	11.0	0.0%	-0.1%	9.2%	19.5%	0.0%	-1.0%	-1.3%	5.0%
Zakhidenergo	ZAEN	148.1	199.8	80.0	0.0%	0.0%	-3.0%	63.8%	0.0%	-0.9%	-13.5%	49.3%
Consumer												
Agroton	AGT	1.42	5.5	1.19	11.8%	11.8%	1.4%	-27.2%	11.8%	10.9%	-9.1%	-41.7%
Astarta	AST	24.98	67.5	14.5	25.9%	24.5%	34.7%	-62.7%	25.9%	23.6%	24.1%	-77.2%
Avangardo	AVGR	2.10	11.7	2.01	2.4%	2.4%	-43.2%	-82.1%	2.4%	1.6%	-53.8%	-96.7%
Industrial Milk Company	IMC	6.00	12.77	5.46	7.1%	9.3%	0.8%	-50.6%	7.1%	8.4%	-9.7%	-65.2%
Kernel	KER	29.34	42.0	22.0	10.3%	6.3%	-0.3%	-22.9%	10.3%	5.4%	-10.8%	-37.5%
Mriya Agro Holding	MAYA	0.59	6.0	0.56	4.8%	4.8%	-41.4%	-89.1%	4.8%	3.9%	-51.9%	-103.6%
MHPC	MHPC	9.10	18.2	9.00	-2.2%	-8.9%	-9.9%	-46.5%	-2.2%	-9.8%	-20.4%	-61.0%
Milkiland	MLK	1.70	11.6	1.48	0.0%	0.6%	-8.6%	-86.4%	0.0%	-0.3%	-19.1%	-100.9%
Ovostar Union	OVO	73.0	95.0	59.4	1.4%	1.4%	1.4%	-27.0%	1.4%	0.5%	-9.1%	-41.5%
Sintal	SNPS	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	6.9	n/a	n/a	0.0%	0.0%	6.3%	-44.6%	0.0%	-0.9%	-4.2%	-59.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.096	0.190	0.090	0.0%	-0.2%	-1.2%	-15.6%	0.0%	-1.1%	-11.8%	-30.1%
UkrSotsbank	USCB	0.130	0.202	0.090	0.0%	0.0%	-7.0%	-30.6%	0.0%	-0.9%	-17.5%	-45.1%

Source: Bloomberg

* companies listed abroad are in traded currency

MAIN FINANCIAL FORECASTS, USD mn

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2012	2013	2014E	2012	2013	2014E	2012	2013	2014E	2012	2013	2014E	2012	2013	2014E
Steel																
Alchevsk Steel	ALMK	1,783	1,729	1,730	-5	-62	-14	neg	neg	neg	-127	-214	-35	neg	neg	neg
Enakievo Steel	ENMZ	1,578	1,531	1,561	-84	22	33	neg	1.5%	2.1%	9	-185	-29	0.5%	neg	neg
Azovstal	AZST	2,814	1,926	1,400	-181	-31	25	neg	neg	1.8%	-333	-308	33	neg	neg	2.4%
Coke																
Avdyivka Coke	AVDK	1,090	914	555	-112	46	-42	neg	5.0%	neg	-137	-6	-17	neg	neg	neg
Yasynivsky Coking	YASK	432	367	333	27	29	19	6.4%	7.8%	5.7%	8	-3	5	1.9%	neg	1.4%
Iron Ore Mining																
Centralny GOK	CGOK	610	679	634	232	312	279	38.0%	46.0%	44.1%	95	194	163	15.6%	28.6%	25.7%
Pivnichny GOK	SGOK	1,416	1,630	1,506	750	914	816	53.0%	56.1%	54.2%	436	548	460	30.8%	33.7%	30.5%
Ferrexpo	FXPO	1,424	1,581	1,449	402	506	492	28.2%	32.0%	33.9%	216	264	277	15.1%	16.7%	19.1%
Coal Mining																
Komsomolets Donbasa	SHKD	273	220	234	125	92	94	45.9%	41.8%	40.1%	7	17	17	2.6%	7.6%	7.3%
Coal Energy	CLE	165	126	101	63	21	9	38.0%	16.8%	8.9%	38	-17	-24	23.2%	neg	neg
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	480	310	271	52	31	26	10.8%	10.1%	9.5%	34	5	4	7.0%	1.5%	1.5%
Railcar Manufacturing																
Luhanskteplovoz	LTPL	216	329	367	29	36	38	13.4%	10.8%	10.4%	5	19	23	2.2%	5.9%	6.1%
Kryukiv Wagon	KVBZ	891	462	106	135	50	10	15.2%	10.9%	9.4%	95	42	-3	10.7%	9.0%	neg
Stakhanov Wagon	SVGZ	311	172	150	7	6	5	2.3%	3.4%	3.6%	1	1	0	0.2%	0.3%	0.3%
Specialized Machinery																
Turboatom	TATM	160	214	196	51	90	73	32.2%	42.1%	37.3%	38	72	65	23.8%	33.5%	33.0%
Motor Sich	MSICH	979	1,000	950	309	274	260	31.6%	27.4%	27.4%	200	169	168	20.4%	16.9%	17.7%
Telecom																
Ukrtelecom	UTLM	838	791	611	206	190	174	24.5%	24.0%	28.5%	45	17	26	5.4%	2.2%	4.3%
Oil & Gas																
Ukrnafta	UNAF	2,554	2,589	2,543	454	286	323	17.8%	11.1%	12.7%	176	23	161	6.9%	0.9%	6.3%
Regal Petroleum	RPT	41	37	45	21	-146	26	52.2%	neg	57.0%	12	-127	2	28.3%	neg	4.4%
JKX Oil	JKX	203	181	199	136	66	68	67.1%	36.7%	34.3%	-11	7	8	neg	3.6%	3.9%
Electric Utilities																
Centrenergo	CEEN	1,119	915	536	69	94	33	6.2%	10.3%	6.1%	29	60	16	2.6%	6.5%	2.9%
Donbasenergo	DOEN	574	656	391	32	72	34	5.6%	11.0%	8.8%	4	65	31	0.7%	9.9%	7.8%
Consumer																
MHP	MHPC	1,408	1,496	1,524	468	391	537	33.2%	26.1%	35.2%	311	162	-337	22.1%	10.8%	neg
Kernel	KER	2,157	2,797	2,393	322	291	223	14.9%	10.4%	9.3%	211	105	-107	9.8%	3.8%	neg
Astarta	AST	456	491	559	110	91	138	20.2%	15.5%	20.5%	58	34	-13	10.6%	5.8%	neg
Avangardco	AVGR	629	661	443	280	301	130	44.5%	45.6%	29.3%	228	238	-11	36.3%	36.0%	neg
Agroton	AGT	88	81	90	20	8	3	23.2%	9.2%	3.9%	7	-6	-1	7.7%	neg	neg
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	5,962	5,333	3,966	793	888	610	679	723	460	4	90	-40	0.5%	10.1%	-6.6%
Ukrspotsbank	USCB	4,854	5,283	2,730	957	1,064	518	451	197	222	1	1	-32	0.1%	0.1%	-6.1%

Source: Eavex Research

MAIN TRADING MULTIPLES

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2012	2013	2014E	2012	2013	2014E	2012	2013	2014E	2012	2013	2013E			
Steel																		
Alchevsk Steel	ALMK	24	3.9%	1	1,373	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	355	331	321	\$/tonne
Yenakievo Steel	ENMZ	15	8.8%	1	11	1.7	neg	neg	neg	0.5	0.3	0.0	0.0	0.0	4	4	4	\$/tonne
Azovstal	AZST	202	3.0%	6	191	neg	neg	6.0	neg	neg	7.6	0.1	0.1	0.1	41	42	42	\$/tonne
Coke																		
Avdyivka Coke	AVDK	22	6.8%	2	-26	neg	neg	neg	neg	-0.6	neg	0.0	0.0	0.0	-6	-7	-7	\$/tonne
Yasynivsky Coke	YASK	3	9.0%	0	4	0.4	neg	0.7	0.2	0.1	0.2	0.0	0.0	0.0	0.2	0.1	0.2	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	601	0.3%	2	599	6.3	3.1	3.7	2.6	1.9	2.1	1.0	0.9	0.9				
Pivnichny GOK	SGOK	1,448	0.4%	6	1,441	3.3	2.6	3.1	1.9	1.6	1.8	1.0	0.9	1.0				
Ferrexpo	FXPO	507	24.0%	122	1,201	2.4	1.9	1.8	3.0	2.4	2.4	0.8	0.8	0.8				
Coal Mining																		
Komsomolets Donbasa	SHKD	10	5.4%	1	112	1.3	0.6	0.6	0.9	1.2	1.2	0.4	0.5	0.5	27	26	25	\$/tonne
Coal Energy	CLE	35	25.0%	9	145	0.9	neg	neg	2.3	6.8	16.1	0.9	1.1	1.4	2.3	6.8	16.1	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	62	2.0%	1	108	1.9	13.3	15.2	2.1	3.5	4.2	0.2	0.3	0.4	172	285	271	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	15	24.0%	4	52	3.1	0.8	0.7	1.8	1.5	1.4	0.2	0.2	0.1				
Kruiiv Wagon	KVBZ	89	5.0%	4	80	0.9	2.1	neg	0.6	1.6	8.0	0.1	0.2	0.8				
Stakhanov Wagon	SVGZ	5	8.0%	0	37	8.3	9.2	10.5	5.2	6.4	6.9	0.1	0.2	0.2				
Specialized Machinery																		
Turboatom	TATM	94	5.8%	5	33	2.5	1.3	1.4	0.6	0.4	0.5	0.2	0.2	0.2				
Motor Sich	MSICH	332	24.0%	80	325	1.7	2.0	2.0	1.1	1.2	1.2	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	180	7.2%	13	484	4.0	10.6	6.8	2.4	2.5	2.8	0.6	0.6	0.8				
Oil & Gas																		
Ukrnafta	UNAF	712	3.0%	21	707	4.0	>30	4.4	1.6	2.5	2.2	0.3	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	22	21.6%	5	-3	1.9	neg	11.1	-0.1	neg	-0.1	-0.1	-0.1	-0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	33	50.4%	17	141	neg	5.1	4.2	1.0	2.1	2.1	0.7	0.8	0.7	26	19	19	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	178	21.7%	39	165	6.2	3.0	11.4	2.4	1.7	5.0	0.1	0.2	0.3	9	12	10	\$/MWh
DonbasEnergO	DOEN	49	14.2%	7	94	12.9	0.8	1.6	2.9	1.3	2.7	0.2	0.1	0.2	12	12	12	\$/MWh
Consumer																		
MHP	MHPC	962	34.1%	328	2,042	3.1	5.9	neg	4.4	5.2	3.8	1.5	1.4	1.3				
Kernel	KER	695	61.8%	429	1,349	3.3	6.6	neg	4.2	4.6	6.1	0.6	0.5	0.6				
Astarta	AST	186	37.0%	69	581	3.2	5.4	neg	5.3	6.4	4.2	1.3	1.2	1.0				
Avangardco	AVGR	134	22.5%	30	322	0.6	0.6	neg	1.1	1.1	2.5	0.5	0.5	0.7	73	55	52	\$/mneggs
Agroton	AGT	9	26.2%	2	58	1.3	neg	neg	2.8	7.7	16.8	0.7	0.7	0.6	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	182	3.5%	6		>30	2.0	neg	0.2	0.2	0.3	0.03	0.03	0.05				
Ukrsotsbank	USCB	152	1.0%	2		>30	>30	neg	0.2	0.1	0.3	0.04	0.04	0.07				

Source: Eavex Research

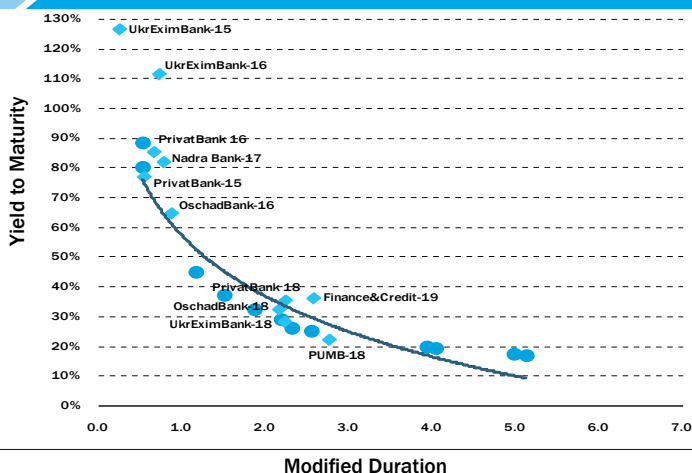
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2015 (EUR)	70.5	77.5	61.7%	44.4%	-22.9%	0.6	4.95%	A	13 Oct 2015	600*	Caa3/CCC-/CCC
Ukraine, 2015	72.9	74.1	60.3%	57.3%	-24.8%	0.5	6.875%	S/A	23 Sept 2015	500	Caa3/CCC-/CCC
Ukraine, 2016	63.0	64.5	35.5%	33.9%	-32.3%	1.5	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC-/CCC
Ukraine, 2016-2	63.7	65.1	42.7%	40.9%	-31.5%	1.1	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC-/CCC
Ukraine, 2017	63.3	69.3	25.7%	21.8%	-28.5%	2.3	6.75%	S/A	14 Nov 2017	700	Caa3/CCC-/CCC
Ukraine, 2017-2	65.6	68.6	29.5%	27.2%	-32.4%	1.9	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC-/CCC
Ukraine, 2017 Infr. projects	60.0	63.0	30.6%	28.3%	-25.6%	2.1	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	58.0	62.0	27.7%	25.1%	-23.6%	2.5	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	61.4	66.4	19.2%	17.2%	-31.3%	4.0	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC-/CCC
Ukraine, 2021	60.4	65.4	19.2%	17.3%	-32.8%	4.1	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC-/CCC
Ukraine, 2022	58.2	63.2	17.9%	16.3%	-33.4%	5.0	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC-/CCC
Ukraine, 2023	59.3	64.3	16.8%	15.3%	-31.9%	5.2	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC-/CCC
Corporate Eurobonds											
Agroton, 2019	30.1	37.5	45.2%	36.9%	-35.2%	3.1	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	93.0	96.0	36.0%	24.4%	-8.9%	0.3	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	67.0	70.0	18.3%	17.2%	-24.1%	3.7	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2015	70.0	74.0	63.4%	54.2%	-27.6%	0.6	10.00%	S/A	29 Oct 2015	200	/CCC-/
UkrLandFarming, 2018	40.0	48.0	50.4%	41.6%	-49.5%	2.0	10.88%	S/A	26 Mar 2018	500	/CCC-/CCC
Mriya, 2016	11.0	15.0	335.4%	268.2%	-87.1%	0.5	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	11.0	11.0	112.0%	112.0%	-87.2%	1.4	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	75.0	80.0	124.7%	96.0%	-24.0%	0.2	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	43.0	48.0	41.4%	36.6%	-51.7%	2.2	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	77.0	80.0	96.7%	82.7%	-23.4%	0.3	10.25%	S/A	20 May 2015	114	Caa2//CCC
Metinvest, 2017	60.7	63.5	32.5%	30.4%	-11.3%	1.5	10.50%	S/A	28 Nov 2017	290	//CCC
Metinvest, 2018	60.5	60.5	28.5%	28.5%	-32.0%	2.2	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	76.0	78.0	33.0%	30.5%	-21.4%	1.0	7.875%	S/A	07 Apr 2016	500	/CCC-/CCC
UZ Rail, 2018	45.0	50.0	41.0%	36.5%	-47.2%	2.3	9.50%	S/A	21 May 2018	500	/CCC-/CCC
Interpipe, 2017	55.0	65.0	39.9%	31.1%	-22.0%	1.8	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	56.0	58.6	35.8%	33.9%	-48.9%	1.5	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	40.0	50.0	40.7%	32.3%	-45.5%	2.5	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2018	62.0	67.0	26.9%	24.2%	-35.5%	2.7	11.00%	Q	31 Dec 2018	275	Caa3//
Nadra Bank, 2018	10.0	15.0		649.9%	-84.5%	0.0	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	60.0	65.0	102.7%	85.7%	-31.3%	0.5	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	47.0	52.0	94.5%	80.7%	-34.9%	0.7	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	57.6	60.0	33.8%	32.0%	-29.6%	2.0	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	78.0	82.0	106.0%	84.4%	-17.1%	0.2	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	45.0	50.0	100.7%	85.9%	-43.1%	0.7	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	55.0	58.0	33.5%	31.2%	-36.5%	2.1	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	4.0	9.0	578.3%	276.7%	-92.4%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	57.0	62.0	67.1%	57.4%	-36.1%	0.8	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	53.0	57.0	34.1%	31.0%	-37.9%	2.2	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	74.5	75.0	49.5%	48.5%	-19.3%	0.6	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	60.9	64.0	49.4%	45.0%	-32.9%	1.1	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

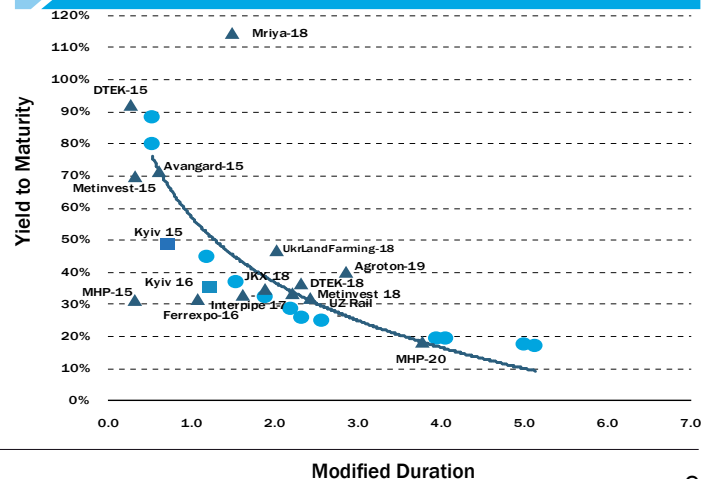
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



UKRAINIAN DOMESTIC BONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn UAH
UAH denominated Bonds									
UA4000141592			25%	22%	n/a	14.30%	S/A	20 May 2015	n/a
UA4000142665			25%	22%	n/a	14.30%	S/A	24 May 2017	n/a
USD denominated Bonds									
UA4000142699	n/a	n/a	14.0%	12.0%	n/a	9.45%	S/A	22 Apr 2015	n/a
UA4000141071	n/a	n/a	14.0%	12.0%	n/a	9.45%	S/A	27 May 2015	n/a
UA4000142673	n/a	n/a	14.0%	12.0%	n/a	4.50%	S/A	17 Jun 2015	n/a
EUR denominated Bonds									
UA4000142681	n/a	n/a	12.5%	12.0%	n/a	4.80%	S/A	6 May 2015	n/a
VAT Bonds									
UA4000082531			27%	23%	n/a	5.50%	S/A	21 Aug 2015	n/a
UA4000082622			27%	23%	n/a	5.50%	S/A	24 Aug 2015	n/a
UA4000083059			27%	23%	n/a	5.50%	S/A	25 Aug 2015	n/a
UA4000185151			27%	23%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			27%	23%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			27%	23%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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